## Attachment 4a

## STATE OF CALIFORNIA BOARD OF ADMINISTRATION PUBLIC EMPLOYEES' RETIREMENT SYSTEM

## RESOLUTION

No. AESDACT-98-001

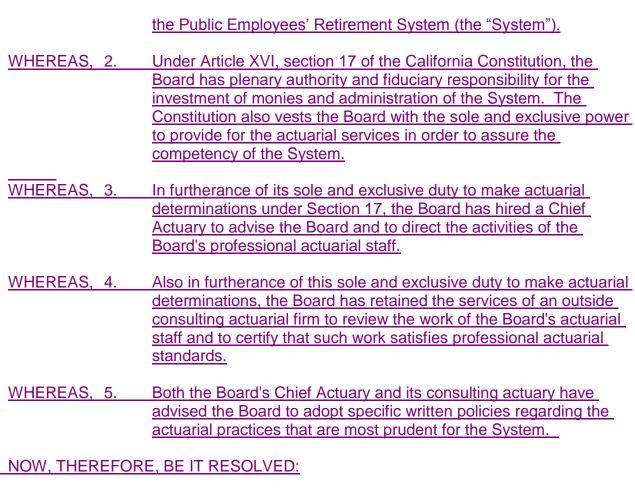
Subject: Actuarial Policies - Adjustment of Actuarial Factors Used in the Administration of Benefits Equivalent Option Factors

- WHEREAS, On November 3, 1992, the people of the state of California passed Proposition 162, which amended Article XVI, section 17 of the California Constitution ("Section 17"), granting the CalPERS Board of Administration plenary authority and fiduciary responsibility for investment of moneys, providing for actuarial services, and administration of the Public Employees' Retirement System, the Judges' Retirement System, the Legislators' Retirement System, and the Volunteer Firefighters' Length of Service Award (collectively "the Systems").
- WHEREAS, Section 17, requires the CalPERS Board to exercise its responsibility with respect to the Systems, subject to continuing fiduciary duties and specifies that the duty to participants and their beneficiaries takes precedence over any other duty.
- WHEREAS, The provisions of Section 17 expressly supersede any contrary provision of law or the Constitution.
- WHEREAS, In furtherance of its sole and exclusive duty to provide actuarial services under Section 17, the CalPERS Board has hired a Chief Actuary to advise the Board and to direct the activities of the Board's professional actuarial staff.
- WHEREAS, Also in furtherance of this sole and exclusive duty to provide actuarial services, the CalPERS Board has retained the services of an outside consulting actuarial firm, to review the work of the Board's actuarial staffand to certify that such work satisfies professional actuarial standards.
- WHEREAS, Both the CalPERS Board's Chief Actuary and its consulting actuary have advised the Board to adopt specific written policies regarding the actuarial practices that are most prudent for the Systems. Now therefore be it:
- WHEREAS, 1. In accordance with Government Code section 20120, the Board of

  Administration of the California Public Employees' Retirement

  System (the "Board") is vested with the management and control of

Adjustment of Actuarial Factors Used in the Administration of Benefits Adjustment of Actuarial Equivalent Option Factors



RESOLVED, (A) It is the policy of the CalPERS Board to review the appropriateness of the actuarial equivalent option factors. - service credit purchase factors as well as any other actuarial factors used in the administration of retirement benefits whenever there is a change in either the post-retirement mortality tables, inflation assumption, or the actuarial investment return assumption or any other actuarial tables used for purposes of the annual actuarial valuation of the liabilities of the system, but not less frequently than every ten years.

RESOLVED, (B)	<u>A</u> That any changes	s to the <del>actuarial</del>	<del>equivalent</del>	<del>option</del>
factors described above shall require Board approval.				

Adjustment of Actuarial Factors Used in the Administration of Benefits Adjustment of Actuarial Equivalent Option Factors

This Resolution shall be effective immediately upon adoption.

I hereby certify that this Resolution was originally made and adopted by the Board of Administration of the California Public Employees' Retirement System on March 18, 1998 and was amended on December 14, 2011.

Lhereby certify that on the 18th day of March1998, the Board of Administration of the California Public Employees' Retirement System made and adopted the foregoing Resolution.

ROB FECKNER, President Board of Administration